

State of Utah School & Institutional Trust Lands Administration

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IMPORTANT CHANGES FOR OIL AND GAS OPERATORS WORKING ON TRUST LANDS

There are several important changes occurring at Trust Lands of which all oil and gas operators exploring or producing on these lands must be aware.

Pursuant to *Utah Code Ann.* §63-73-11 which provides for the preservation and protection of paleontological resources on trust lands and in the knowledge derived from the study of those resources, the School and Institutional Trust lands Administration (SITLA), the Division of Oil, Gas and Mining (DOGM), and the Utah Geological Survey (UGS) have mutually agreed to require oil and gas operators to provide adequate reports on paleontological resources in a similar fashion to the way archeology reports are filed when working on trust lands.

Beginning January 1, 2008, oil and gas operators needing to conduct surface disturbing activities on trust lands must file with SITLA either paleontological inventories or evidence of a previously completed review by a permitted paleontologist. These reports, when required, should be submitted to SITLA along with the archeology report. Please refer to SITLA's website, www.utahtrustlands.com. Go to the prompt "Maps and GIS" in the gray bar then click on the map entitled "Paleo Sensitivity Map". If your surface disturbance will occur in areas that are marked sensitive (orange), reports will be required by SITLA. If your surface disturbance is not located within a sensitive area, no paleo report will be required; however, archeology reports are required on every trust land parcel. UGS is the repository for these reports and will have ten working days from the time the report is forwarded to them by SITLA to review the data and make recommendations. APDs within sensitive areas will not be released to DOGM for further processing until the report is filed with SITLA and the UGS timeframe expires. Not submitting a required paleo report will result in delays in getting your APDs approved by DOGM.

Next, under SITLA's oil and gas leases, it is entitled to all information provided to DOGM for operations on trust lands. The agency does not want to duplicate the DOGM well file but needs certain information in order to be able to verify the status of its leases. Therefore, effective immediately, the agency will be requiring operators to provide weekly Drilling Reports on all new wells on trust lands. The reports should be sent to: lavonnegarrison@utah.gov from rigging up operations through final completion.

SITLA is the managing agency for all activities on its lands and must approve any operations conducted on those lands. Prior to conducting surface disturbance, reclamation or mitigation projects that were not approved by SITLA at the on-site, operators must contact either Jim Davis or Ed Bonner to obtain approval of those operations.

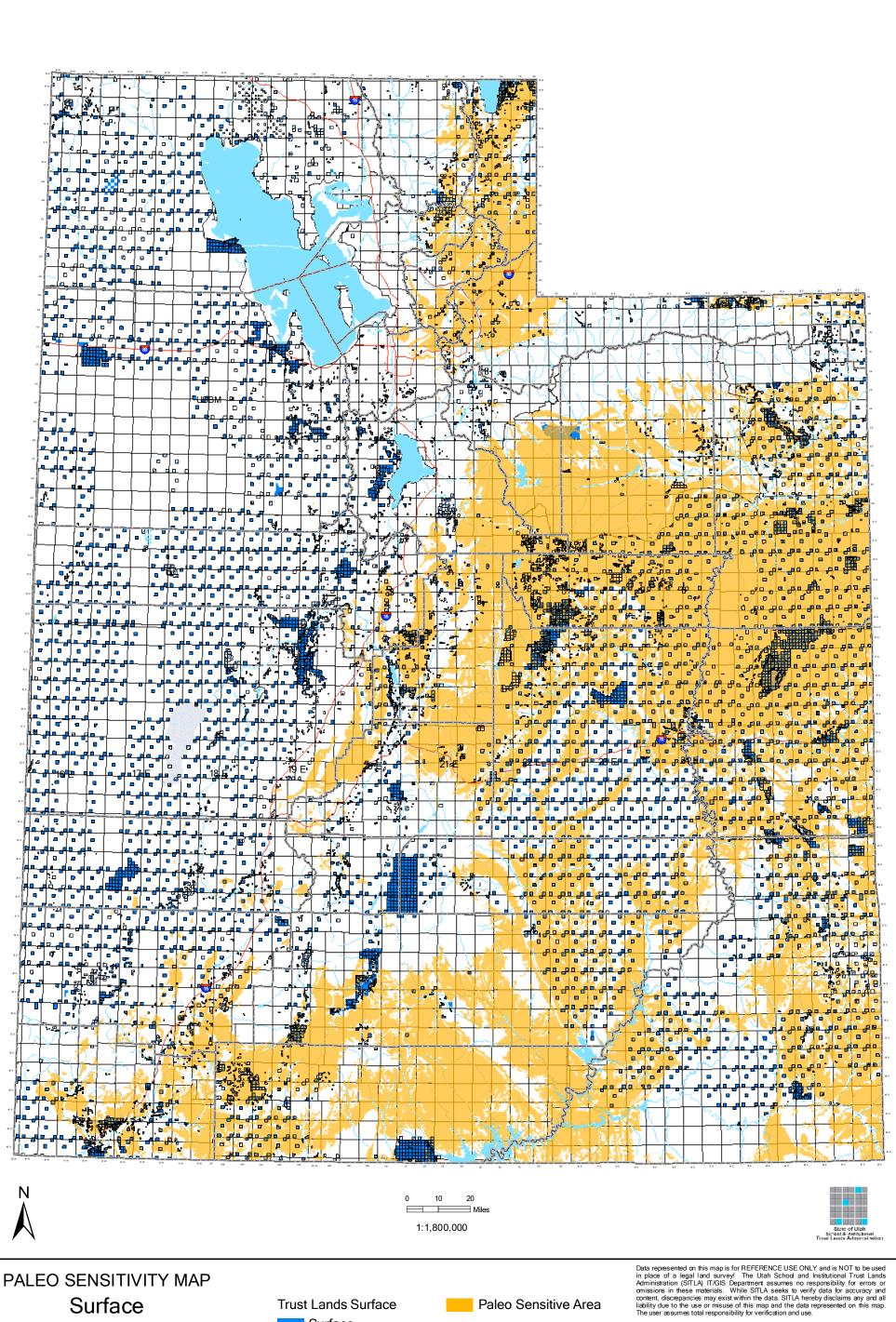
Finally, SITLA is enclosing a copy of our "Standards for Construction of Oil and Gas Roads on Utah Trust Lands" brochure. These are minimum standards SITLA requires for new road construction on trust land. These may or may not be the same as federal standards. It is the responsibility of the operators to be familiar with these standards and conduct their construction accordingly.

Should you have questions, please contact either Ed Bonner at 538-5151 or Jim Davis at 538-5156.

Sincerely,

LaVonne J. Garrison

Assistant Director, Oil and Gas



Surface and Mineral Trust Lands

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Surface

Trust Lands Minerals

All Mineral Rights Partial Mineral Rights **County Boundary**

Lakes, rivers, streams, highways, roads, county and state boundaries were USGS DLG 1:100,000 source files, and contour lines (if present) were generated from USGS DEM 3-arc-second files, collected and distributed by the Utah Automated Geographic Reference Center. The ownership information was originally digitized by Utah State University from BLM 1:100,000 source maps and has been edited by Utah Trust Lands Administration (TLA) to reflect current state ownership. TLA surface and mineral ownership is frequently being updated and verified by TLA. Official and detailed information is available from the responsible agencies.

The Paleo Sensitive Area data was provided by the Utah Geological Survey. For information about paleontological resources please contact the State Paleontologist's office; Jim Kirkland, (801) 537-3307 jameskirkland@utah.gov Martha Hayden, (801) 537-3311 marthahayden@utah.gov